

## SENATE THIRD READING

SB 1235 (Committee on Governmental Organization)

As Introduced February 19, 2026

Majority vote

**SUMMARY**

This bill would require the Governor to notify certain legislative policy committees when the Governor removes a member of the California Gambling Control Commission (CGCC) for cause.

**Major Provisions**

1) Requires the Governor to notify the Senate and Assembly Committees on Governmental Organization of the removal of a member of the CGCC.

**COMMENTS***Background.*

*Gambling regulation/enforcement in California.* The Act created a comprehensive scheme for statewide regulation of legal gambling under a bifurcated system of administration involving the Bureau of Gambling Control within the Attorney General's Office and the five-member Commission by the Governor. The CGCC is authorized to establish minimum regulatory standards for the gambling industry and to ensure that the state gambling licenses are not issued to or held by unsuitable or unqualified individuals. In addition, the CGCC acts as the regulatory body over Tribal casinos, pursuant to the CGCC's authority under the tribal-state gaming compacts.

Some of the CGCC's primary responsibilities related to cardrooms and third-party providers include: issuing work permits to employees in specific jurisdictions; taking reasonable actions to ensure that no ineligible, unqualified, or unsuitable individuals are associated with gaming activities; granting temporary/interim licenses, permits or approvals; and, adjudicating recommendations concerning license denials, revocations, or disciplinary actions. There are 80 cardrooms currently licensed by the CGCC.

The CGCC, pursuant to the Compacts, the Act, the Governor's Executive Order D-31-01 and Governor's Executive Order D-66-03, also has various fiduciary, regulatory and administrative responsibilities related to Tribal gaming and the distribution of revenues to eligible Indian Tribes. There are currently 65 Tribal casinos open and operated by 62 Tribes.

The Bureau monitors the conduct of gaming operations to ensure compliance with state gambling laws and conducts extensive background investigations of applicants seeking a state gambling license. The Bureau also conducts background checks for all key employees and state gambling license and vendor applications.

The Bureau inspects premises where gambling is conducted, examines gambling equipment, audits papers, books, and records of the gambling establishment, investigates suspected violations of gambling laws, and is ultimately responsible for enforcing compliance with all state laws pertaining to gambling.

*CGCC membership.* The Commission is composed of five members, all of whom are appointed by the Governor and confirmed by the California State Senate. State law establishes several requirements to ensure professional expertise and political balance on the Commission. For example, no more than three of the five commissioners may belong to the same political party. The statute also requires that the commission collectively include individuals with diverse professional backgrounds, such as experience in finance or accounting, law with regulatory expertise, law enforcement or criminal investigation, business or government, and representation of the general public.

Current law authorizes the Governor to remove any member of the CGCC for incompetence, neglect of duty, or corruption upon first giving the member a copy of the charges and an opportunity to be heard. The Governor is required to fill any vacancies on the Commission, subject to confirmation, within 60 days of the date of the vacancy.

#### **According to the Author**

By establishing this notification requirement, this bill seeks to enhance transparency and strengthen legislative oversight of the [CGCC] that regulates California's cardroom industry. The notification would help ensure that the Legislature remains informed about changes in the composition of the regulatory body responsible for licensing and overseeing cardrooms in the state.

#### **Arguments in Support**

None on file.

#### **Arguments in Opposition**

None on file.

### **FISCAL COMMENTS**

According to the Assembly Committee on Appropriations analysis, "Negligible costs to the Governor and CGCC.

### **VOTES**

#### **SENATE FLOOR: 38-0-2**

**YES:** Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNERney, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

**ABS, ABST OR NV:** Menjivar, Seyarto

#### **ASM GOVERNMENTAL ORGANIZATION: 18-0-3**

**YES:** Blanca Rubio, Davies, Alvarez, Berman, Bryan, Dixon, Fong, Gabriel, Gipson, McKinnor, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Solache, Soria, Ta, Wallis

**ABS, ABST OR NV:** Carrillo, Macedo, Valencia

#### **ASM APPROPRIATIONS: 15-0-0**

**YES:** Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

**UPDATED**

VERSION: February 19, 2026

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FN: 0003455